Rural branches of banks

†260. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) the number of branches opened by the nationalised and private sector banks in the rural areas of the country, besides urban areas during the last three years;

(b) whether Government are aware that financial activities in the rural sector are on the increase;

(c) if so, what initiatives have been taken for opening branches of banks in rural areas keeping in view the above; and

(d) the number of rural branches proposed to be opened during the year 2004 and by when the said target would be achieved?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) The details of the number of branches opened by nationalised banks and private sector banks in the rural and urban areas during the last three years are as under:—

Bank Group	Rural	Urban
Nationalised Banks	40	316
Private Sector Banks	27	335

(b) and (c) Reserve Bank of India (RBI) has reported that as per its extant policy, it is left to the judgment of individual public sector banks to assess the need for opening additional branches at rural centres (population less than 10,000) within their service area keeping in view the financial activities in areas under their jurisdiction and viability. The banks' proposals for opening branches at rural centres are to be approved by the District Consultative Committees (DCCs) and submitted to RBI for prior approval through the concerned State Governments. However, new private sector banks have to forward their proposals directly to RBI since these banks are required to open a minimum of 25% of their total branches in rural/semi-urban areas as a condition to the licenses issued to them. The rural branches of these banks have to accept the allocation under the Annual Credit Plans allocated to them by the respective DCCs.

(d) RBI has reported that, at present, commercial banks have obtained 100 authorizations for opening branches in the rural areas.

† Original notice of the question was received in Hindi.